

FISCAL IMPACT STATEMENT ON BILL NO. **H4318**

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TO:	The Honorable Robert E. "Bob" Walker, Chairperson, House Education and Public Works Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Trey Kannaday		
DATE:	January 16, 2008	SBD:	2008007

AUTHOR:	Representative Rice	PRIMARY CODE CITE:	59-63-20
SUBJECT:	Age Requirements for Kindergarten or First Grade		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See Below

BILL SUMMARY:

House Bill 4318 provides that a child who is developmentally ready to attend kindergarten but who has not reached five (5) years of age by September 1st of the applicable school year may attend kindergarten with a parent or legal guardian's written consent and if the child meets certain age requirements. The Bill further provides that a child who is developmentally ready to attend first grade but who has not reached six (6) years of age by September 1st of the applicable school year may attend kindergarten with a parent or legal guardian's written consent and if the child meets certain age requirements.

EXPLANATION OF IMPACT:

The State Department of Education (SDE) estimates overall attendance could increase by as many as 4,500 students the first year depending on the number of parents who enroll their child earlier than they could have previously. It is assumed any increase in kindergarten attendance would be offset by those children who would migrate early to the first grade under the Bill's provisions. First grade attendance could increase overall by as many as 4,500 students the first year. This would constitute a direct cost to the Education Finance Act (EFA) and related fringe benefits of \$12,111,797 (4,500 students X 1.24 WPU X \$2,578 BSC X 70% State portion X 1.2028 related EFA Fringe). Costs could increase each year by this amount until FY 2013-2014 based on the Bill's gradual implementation schedule.

In addition, the General Assembly may, at its discretion, adjust other program funding levels based on the increased enrollment. Other K-12 education program funding, such as Student Health and Fitness, instructional materials and transportation contribute to the overall cost per student of \$9,187 (estimated for FY 2008-09) which includes all sources of School District funds (State, Local School District and federal). State revenues (General funds and EIA) account for 45% of the \$9,187 total per student. Therefore, if the General Assembly chose to adjust all other program funding based on the additional 4,500 students the total impact could be estimated at \$18,603,675 (\$9,187 X 4,500 X .45 State Portion). This would be an additional \$6,491,878 (\$18,603,675 - \$12,111,797) above the direct impact on the Education Finance Act.

Approved by:



Harry Bell
Assistant Director, Office of State Budget